

<b><u>IMPENDLE MUNICIPALITY</u></b>								
<b><u>IMPENDLE MUNICIPALITY</u></b>								
<b>INCOME STATEMENT FOR THE YEAR ENDED JUNE 2008</b>								
<b>2007 Actual</b>	<b>2007 Actual</b>	<b>2007</b>	<b>2007 Budget</b>		<b>2008 Actual</b>	<b>2008 Actual</b>	<b>2008</b>	<b>2008 Budget</b>
<b>Income</b>	<b>Expenditure</b>	<b>Surplus (Deficit)</b>	<b>Surplus (Deficit)</b>		<b>Income</b>	<b>Expenditure</b>	<b>Surplus (Deficit)</b>	<b>Surplus (Deficit)</b>
<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>		<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
9 131 360	5 133 690	3 997 670	2 911 173	<b><u>RATES &amp; GENERAL SERVICES</u></b>				
9 131 360	4 582 793	4 548 567	4 583 853	Community Services	11 722 894	7 088 779	1 576 106	813 207
	550 897	-550 897	(1 672 680)	Economic Services				
		(4 179 392)		Appropriations for the year			3 255 341	
				(Refer to note 15)				
		(181 722)		<b>Net (deficit)/surplus for the year</b>			<b>4 831 447</b>	
				<b>Accumulated Surplus/ (Deficit) at beginning of the Year</b>			1 062 651	
		1 244 373						
				<b>Accumulated (Deficit)/Surplus at the End of the Year</b>			5 894 098	
		1 062 651						

IMPENDLE MUNICIPALITY					
CASH FLOW STATEMENT					
FOR THE YEAR ENDED 30 JUNE 2008					
		2008		2 007	
	Notes				
<b>Cash Retained From Operating Activities</b>		<b>5 534 066</b>		<b>710 968</b>	
Cash Generated/(utilised) by Operations	16	9 740 515		1 746 551	
Investment Income	14	537 320		199 830	
(Increase)/Decrease in working capital	17	(4 743 769)		(1 235 413)	
		5 534 066		710 968	
Less: External interest paid		-		-	
<b>Cash Available from Operations</b>		<b>5 534 066</b>		<b>710 968</b>	
Cash Contributions from the Public and the State.	22	610 975			
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>					
Investment in Fixed Assets	3	(1 606 478)		(2 128 103)	
<b>NET CASH FLOW</b>		<b>4 538 563</b>		<b>(1 417 135)</b>	
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>					
Increase/(Decrease) in long term loans					
(Increase)/Decrease in Investments	20	(1 898 939)		(5 194 806)	
Increase/Decrease in Trust Funds	2			3 507 214	
(Increase)/decrease in cash	17	(2 573 611)		3 104 727	
		(4 538 563)		1 417 135	

<b>IMPENDLE MUNICIPALITY</b>			
<b>NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED</b>	<b>2008</b>		<b>2007</b>
<b>30 JUNE 2008</b>			
	<b>R</b>		<b>R</b>
<b>1. STATUTORY FUNDS</b>			
Capital Development Fund	538 889		538 889
Public Improvement Fund	142 719		142 719
(Refer to appendix A for more detail)	<b>681 608</b>		<b>681 608</b>
<b>2. TRUST FUNDS</b>			
Unspent Grants	8 210 307		3 507 214
(See Appendix A for more detail)	<b>8 210 307</b>		<b>3 507 214</b>
<b>3. FIXED ASSETS</b>			
Fixed Assets at the beginning of the year	14 870 957		12 742 854
Capital expenditure during year	1 606 477		2 128 103
Less: Transferred in Assets			
Less : Correction of error			
Total fixed assets	16 477 434		14 870 957
Less: Loans redeemed and other capital receipts	16 477 434		14 870 957
Net fixed assets	-		-
Photostating Machines were obtained through operating lease agreement with Nashua and in terms of IMFO standard it does not have to be capitalised.			
<b>4. INVESTMENTS</b>			
Unlisted			
Short term deposits(call accounts)	7 119 440		5 217 720
Average return on Investments			0
Average rate of return on investment (gross)			
<b>5. LONG TERM DEBTORS</b>			
Vehicle Loans to staff & Councillors	436 743		
Staff	349 924		
Councillors	86 819		
Personal Loans to Staff & Councillors	190 898		
Staff	77 143		
Councillors	113 755		
Total	627 641		

<b>NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED</b>	<b>2008</b>	<b>2007</b>
<b>30 JUNE 2008</b>	<b>R</b>	<b>R</b>
<b>6. SHORT TERM DEBTORS</b>		
Rates	95 909	52 060
Amount paid in Advance		-
Other Debtors	4 747 600	1 332 645
	4 843 509	1 384 705
Less: Bad Debts Provision	24 137	19 136
	<b>4 819 372</b>	<b>1 365 569</b>
Out of an amount of R 4 843 509 is an amount of R3,8mil owed by Umgungundlovu District Municipality		
<b>7. PROVISIONS</b>		
Audit Fees	123 610	265 298
Provisions for Leave	181 223	354 975
	304 833	620 273
<b>8. CREDITORS</b>		
Trade and Other Creditors	375 644	1 037 970
Deposits		
	<b>375 644</b>	<b>1 037 970</b>
<b>9. ASSESSMENT RATES &amp; REFUSE</b>		
Land		
Dwellings	69 910	96 059
Business		
	<b>69 910</b>	<b>96 059</b>
Rates are levied on the basis of land usage.		
The rates applicable for the different property categories are as follows:		
Land		<b>99.80</b>
Dwellings		<b>197.88</b>
Business		<b>400.10</b>
<b>10. COUNCILLORS' REMUNERATION</b>		
Mayor's Salary	230 946	180 468
Exco members		
Councillors' Salaries	650 281	65 508
	<b>881 227</b>	<b>245 976</b>
<b>COUNCILLOR BENEFITS</b>		
Pension		
Medical Aid		
Cell Phone Allowance	53 928	7 920
Office Allowance		1 040
Travelling Allowance		
	53 928	8 960
<b>11. SECTION 57 EMPLOYEES' REMUNERATION</b>		
Municipal Manager	162 917	165 004
Chief Financial Officer	319 000	50 000
Director Corporat Services	0	
Director Technical	319 000	38 750
	<b>800 917</b>	<b>253 754</b>
<b>12. SECTION 57 EMPLOYEES' BENEFITS</b>		
Medical Aid	0	
Pension Fund	0	
Group Life	0	
Travelling	0	
Retirement Annuity	0	
Housing Subsidy	0	
	0	0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008	2008		2007
	R		R
<b>13. AUDITORS' REMUNERATION</b>			
Audit fees	123 609		265 298
- under/over provision			
	<b>123 609</b>		<b>265 298</b>
<b>14. FINANCE TRANSACTIONS</b>			
Total external interest earned or paid:			
Interest earned	393 094		199 830
Interest paid			-
Net external interest earned / (paid)	<b>393 094</b>		<b>199 830</b>
<b>15. APPROPRIATIONS</b>			
Appropriation account			
Accumulated surplus at the beginning of the year	1 062 652		1 244 374
Operating surplus / (deficit) for the year	1 576 106		(181 722)
Prior year adjustments	3 255 340		
	<b>5 894 098</b>		<b>1 062 652</b>
<b>Operating Account</b>			
Fixed Assets	995 502		
Contributions to:			
Audit Fee Provision	123 609		257 548
Leave Pay Provision	181 223		
Bad Debts	24 137		
	<b>328 969</b>		<b>257 548</b>
<b>16. CASH GENERATED BY OPERATIONS</b>			
(Deficit)/Surplus for year	1 576 106		3 997 670
Adjustments in respect of:			
Previous years' operating transactions	3 162 154		(2 708 498)
Investment Income	-393 094		199 830
Appropriations charged against income:	995 502		257 548
Provisions and reserves			
Capital Development Fund	0		
Provisions			257 548
Contributions to Capital Outlay	995 502		
Capital Charges:			
Interest paid:			
o to internal funds	0		
o on external funds			-
Redemption			
o of internal advances	0		-
o of external loans			
Other income credited to the operating account			
Non-operating income			
o public improvement fund	0		-
o provisions and reserves	8 346 201		
Non-operating expenditure:			
o Provisions and Reserves	-3 946 354		
	<b>9 740 515</b>		<b>1 746 550</b>

<b>NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED</b>	<b>2008</b>		<b>2007</b>
<b>30 JUNE 2008</b>			
	<b>R</b>		<b>R</b>
<b>17. (INCREASE) / DECREASE IN WORKING CAPITAL</b>			
Increase /(decrease) in creditors	(662 325)		(2 394 050)
( Increase) / decrease in debtors	(4 081 444)		1 158 637
	<b>(4 743 769)</b>		<b>(1 235 413)</b>
<b>18. (INCREASE) / DECREASE IN CASH ON HAND</b>			
Cash balance at beginning of the year	326 428		3 431 156
Less: Cash balance at the end of the year	2 900 039		326 428
Amount transferred to Investments			
	<b>(2 573 611)</b>		<b>3 104 728</b>
Standard Bank of S.A.			
Monthly payments under primary account includes payments towards Garage car facility with a limit of R25000			
<b>19. CAPITAL DEVELOPMENT FUND</b>			
Accumulated Funds	538 889		538 889
Less: Internal Advances			
Amount to be invested			
	<b>538 889</b>		<b>538 889</b>
See Appendix A and B for details			
<b>20. PUBLIC IMPROVEMENT FUND</b>			
Accumulated Funds	142 719		142 719
Less: Internal Advances			
Amount to be invested			
	<b>142 719</b>		<b>142 719</b>
<b>21. DECREASE/(INCREASE) IN CASH INVESTMENTS</b>			
Investment balance at the beginning of the year	5 220 501		22 914
Less: Cash balance at the end of year	7 119 440		5 217 720
	<b>(1 898 939)</b>		<b>(5 194 806)</b>
<b>22. CASH CONTRIBUTIONS FROM THE PUBLIC AND THE STATE</b>			
Administration			
Loans redeemed and other capital receipts			
Contributions and interest on investment during the year	610 975		
Adjustmemnt in respect of expenditure during the year			
(Included in note 3)	610 975		-

IMPENDE MUNICIPALITY									
Appendix A									
Statutory Funds, Reserves and Provisions									
				Balance 30/6/2007	Contributions during the year	Interest on investments	Correction of previous year balances	Expenditure during the year	Balance at 30/6/2008
<b>Accumulated Funds</b>									
	Capital Development Fund			538 889.00					538 889.00
	Public Improvement Fund			142 719.00					142 719.00
				681 608.00					681 608.00
<b>Trust Funds</b>									
	Loteni Water			34 143.98			(34 144)		-
	Housing			-57 919.00					(57 919.00)
	Nhalamnasoka Water Supply			50 400.92			-50 401		-
	Nanguzi Water Supply			2 793.00			(2 793)		-
	Roads			18 554.20			(18 554)		-
	HIV/AIDS			-42 420.50			(7 200)		(49 620.50)
	AGRI. Development Project			1 869.75			(1 870)		-
	Community Gardens			-137 826.26			7 434	1 050.00	(129 342.59)
	Library Building			-112 089.31	(467 090)		-285 199	501 619.17	(362 758.62)
	Gomane Water Project			211 384.36			(211 384)		-
	Nhlathimbe Water Project			20 931.01			(20 931)		-
	MSIG				-734 000.00			4 501.31	(729 498.69)
	Ward Committees								-
	IMP - MFMA			(100 000)					(100 000.00)
	Communication Initiative			39 700			(89 700)	11 859.44	(38 140.56)
	FMG - Intern Grant			(935 109)	-250 000.00		39 503	1 014 871.19	(130 734.81)
	MAP			(1 087 417)	-200 000.00		(213 212)	787 582.36	(713 046.20)
	Capacity Building			38 615			(413 289)	76 263.00	(298 410.83)
	IDP Review			(79 000)	-50 000.00		(80 000)	102 400.00	(106 600.00)
	Management Audit			12 698			(12 698)		-
	Inter Dept. Monitoring			(100 000)					(100 000.00)
	Land Use Management			(81 184)			(50 000)		(131 183.80)
	Tourism			(100 000)					(100 000.00)
	Property Rates Act			-178 017			100 000	2 165.79	(75 851.61)
	MIG			-100 000			100 000		-
	Mayoral Imbizo			-1 401			1 401		-
	CDW			-14 455					(14 455.34)
	DBSA -MAP Grant			4 278			(137 258)		(132 979.82)
	Water - DC 22			-150 000			150 000		-
	Free Basic Electricity			-665 743	-668 000.00			77 752.12	(1 255 990.90)
	Housing Scheme-Ward 2				-945 507.00	(48 076)		746 779.00	(246 803.81)
	Housing Scheme-Ward 3				-650 655.00	(48 075)		283 640.00	(415 090.12)
	Housing Scheme-Ward 4				-650 655.00	(48 075)		176 850.00	(521 880.46)
	MPCC-Thusong Centre				(500 000)				(500 000.00)
	Intervention-DLGTA				(2 000 000)				(2 000 000.00)
									-
									-
									-
				(3 507 213)	(7 115 907)	(144 226)	(1 230 294)	3 787 333	(8 210 308)
<b>Provisions</b>									
	Audit fees			265 298				141 689.17	123 608.83
	Provision for Leave			354 975				17 331.72	337 643.28
				620 273	0	0	0	159 021	461 252

<b>IMPENDLE MUNICIPALITY</b>					
<b>ANNUAL FINANCIAL STATEMENTS</b>					
<b>BALANCE SHEET AS AT 30 JUNE 2008</b>					
			<b>2008</b>	<b>0</b>	<b>2007</b>
	<b>NOTES</b>		<b>R</b>		<b>R</b>
<b>CAPITAL EMPLOYED</b>					
<b>FUNDS AND RESERVES</b>			681 608.00		681 608.00
Statutory Funds	1		681 608.00		681 608.00
Reserves					
Accumulated Surplus/(Deficit)	15		5 894 098.00		1 062 652.00
			6 575 706.00		1 744 260.00
<b>LIABILITIES</b>					
Trust Funds	2		8 210 307.00		3 507 214.00
			<b>14 786 013.00</b>		<b>5 251 474.00</b>
<b>EMPLOYMENT OF CAPITAL</b>					
Fixed Assets	3		-		
Investments	4		7 119 440.00		5 217 720.00
			7 119 440.00		5 217 720.00
LONG TERM DEBTORS	5		627 640.00		-
<b>NET CURRENT ASSETS</b>			7 038 933.00		33 753.00
<b>CURRENT ASSETS</b>			7 719 411.00		1 691 996.00
Debtors	6		4 819 372.00		1 365 568.00
Cash			4 000.00		
Bank			2 896 039.00		326 428.00
<b>CURRENT LIABILITIES</b>			680 478.00		1 658 243.00
Provisions	7		304 833.00		620 273.00
Creditors	8		375 645.00		1 037 970.00
			<b>14 786 013.00</b>		<b>5 251 473.00</b>



<b>IMPENDLE MUNICIPALITY</b>							
<b>APPENDIX B</b>							
<b>EXTERNAL LOANS AND INTERNAL ADVANCES FOR THE YEAR ENDED 30 JUNE 2008</b>							
		<b>Repayment Date</b>	<b>Interest rate %</b>	<b>Balance at 30/6/2007</b>	<b>Received during the year</b>	<b>Redeemed or written off during the year</b>	<b>Balance at 30/6/2008</b>
<b>External Loans</b>							
<b>TOTAL EXTERNAL LOANS</b>		-	-	-	-	-	-
		<b>Period</b>	<b>Interest rate %</b>	<b>Balance at 30/6/2007</b>	<b>Received during the year</b>	<b>Redeemed or written off during the year</b>	<b>Balance at 30/6/2008</b>
<b>INTERNAL ADVANCES TO BORROWING SERVICES</b>							
Capital Development Fund		Various		538 889			538 889
Public Improvement Fund		Various		142 719			142 719
				<b>681 608</b>	<b>0</b>	<b>0</b>	<b>681 608</b>

IMPENDLE MUNICIPALITY							
APPENDIX C							
ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 30 JUNE 2008							
Expenditure 2007	SERVICE	Budget 2008	Balance at 30/6/2007	Expenditure 2008	Written off transferred redeemed or disposed of during the year	Adjustments	Balance at 30/6/2008
R		R	R	R	R	R	R
<b>2 128 103</b>	<b>RATES AND GENERAL SERVICES</b>	<b>3 515 120</b>	<b>14 870 957</b>	<b>1 606 478</b>	<b>0</b>	<b>0</b>	<b>16 477 435</b>
<b>2 128 103</b>	<b>Community Services</b>	<b>3 515 120</b>	<b>14 870 957</b>	<b>1 606 478</b>	<b>0</b>	<b>0</b>	<b>16 477 435</b>
	Community Hall	1 834 481	1 175 060	0	0	0	1 175 060
521 696	Plant, Vehicles, Furniture & Equipment	727 093	2 119 076	935 081	0	0	3 054 157
	Road Fencing & Signs				0		0
18 554	Roads and Town Planning	255 730	4 690 118	239 739	0		4 929 857
1 587 853	Civic Buildings	532 297	3 287 352	266 140			3 553 492
	Community Centres	165 519	2 812 011	165 518			2 977 529
	Cemetery & Community Centres		17273				17 273
	Sportsfield and Clubhouse		770067				770 067
<b>2 128 103</b>	<b>Total Fixed Assets</b>	<b>3 515 120</b>	<b>14 870 957</b>	<b>1 606 478</b>	<b>0</b>	<b>0</b>	<b>16 477 435</b>
	Less: Loans Redeemed & Other Capital Receipts		Balance	Advanced	Written off		Balance
2 128 103			14 870 957	1 606 478	0	0	16 477 435
521 696	Contributions ex operating income		1 414 295	995 502			2 409 797
1 606 407	Loans Redeemed		13 456 662	0			13 456 662
	Grants & Subsidies		0	610 975			610 975
0	Net Fixed Assets		0	0	0	0	0

<b><u>IMPENDLE MUNICIPALITY</u></b>					
<b>APPENDIX D</b>					
<b>ANALYSIS OF OPERATING INCOME AND EXPENDITURE</b>					
<b>FOR THE YEAR ENDED 30 JUNE 2008</b>					
Actual 2007 R	-	Income	-	Actual 2008 R	Budget 2008 R
8 557 040		Grants & Subsidies		7 137 683	7 137 683
8 456 947		Central Government		7 137 683	7 137 683
100 093		Provincial Government			
-					
574 319		<b>Other Operating Income</b>		1 527 202	3 058 296
73 616		Rates		49 722	33 618
199 830		Interest from Investments		393 094	475 000
300 873		Other Service Charges		1 084 387	2 549 678
-					
-					
9 131 359		<b>TOTAL INCOME</b>		8 664 885	10 195 979
		<b>Expenditure</b>			
3 364 084		Salaries, wages and allowances		3 773 092	4 384 311
1 389 412		General expenses		2 147 986	2 171 512
122 646		Repairs and maintenance		167 199	285 000
		Contribution to Fixed Assets		995 502	1 938 120
257 548		Contributions to bad debts		5 000	1 255 922
5 133 690		<b>Gross Expenditure</b>		7 088 780	10 034 865
3 997 669		<b>Net expenditure</b>		1 576 106	161 114

<b>IMPENDLE MUNICIPALITY</b>									
<b>APPENDIX E</b>									
<b>DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 June 2008</b>									
<b>2007</b>									
<b>Actual income R</b>	<b>Actual expenditure R</b>	<b>Surplus (Deficit) R</b>				<b>2008 Actual income R</b>	<b>2008 Actual expenditure R</b>	<b>2008 Surplus/ (Deficit) R</b>	<b>2008 Budget Surplus / (Deficit)</b>
<b>9 131 360</b>	<b>5 133 690</b>	<b>3 997 670</b>		<b>Rate and General Service</b>		8 664 884	7 088 779	1 576 106	813 207
<b>9 131 360</b>	<b>4 582 793</b>	<b>4 548 567</b>		<b>Community Service</b>		<b>8 664 884</b>	<b>7 088 779</b>	<b>1 576 106</b>	<b>813 207</b>
73 616		73 616		Assessment rates					
0		-		Corporate			933 489	(933 489)	(838 064)
0	118 544	(118 544)		Technical			1 812 034	(1 812 034)	(1 025 923)
0	1 767 803	(1 767 803)		Executive & Council			2 365 356	(2 365 356)	(1 738 928)
9 057 744	2 696 446	6 361 298		Finance		8 664 884	1 977 900	6 686 985	4 416 122
0		-							
0		-							
-	550 897	(550 897)		<b>Economic Services</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	550 897	(550 897)		Water					
<b>9 131 360</b>	<b>5 133 690</b>	<b>3 997 670</b>		<b>TOTAL</b>		<b>8 664 884</b>	<b>7 088 779</b>	<b>1 576 106</b>	<b>813 207</b>
		(4 179 392)		Appropriations for the year				3 255 341	
		<b>(181 722)</b>		<b>Net surplus /(deficit) for the year</b>				<b>4 831 447</b>	
		1 244 373		Accumulated surplus / (deficit) beginning of the year				1 062 651	
		<b>1 062 651</b>		<b>ACCUMULATED SURPLUS/ (DEFICIT)END OF THE YEAR</b>				<b>5 894 098</b>	



**IMPENDLE MUNICIPALITY**  
**Income and Expenditure Workings**

	<u>Corporate</u>	<u>Council</u>	<u>Finance</u>	<u>Technical</u>	<u>R&amp;G - Water Service</u>	<u>TOTAL</u>
<b><u>Income</u></b>						
Equitable Share			(7 137 683.00)			(7 137 683.00)
Cond. Grants & Subsidies						-
Rates			(49 721.93)			(49 721.93)
Refuse			(31 100.00)			(31 100.00)
Hall Hire			(9 738.55)			(9 738.55)
Rental			(16 500.00)			(16 500.00)
Interest			(393 093.97)			(393 093.97)
Water Sales			(3 058 009.02)			-
Fees & Licences						-
Other Income			(1 025 948.88)			(1 025 947.97)
Traffic Fines			(1 100.00)			(1 100.00)
<b><u>Total Income</u></b>	-	-	(11 722 895.35)	-	-	<b><u>(8 664 885.42)</u></b>
<b><u>Expenditure</u></b>						
Salaries, Wages and Allowances	926 961.17	1 487 000.72	750 289.93	608 840.63		3 773 092.45
General Expenses	6 527.48	878 355.14	1 222 610.00	40 492.82		2 147 985.44
Repairs & Maintenance				167 198.61		167 198.61
Capital Charges						0.00
Contributions to Provisions			5 000.00			5 000.00
Departmental Charges						0.00
Service Charges						0.00
Leave Reserve						0.00
Contributions to Capital				995 502.38		995 502.38
Other expenses						0.00
<b><u>Gross Expenditure</u></b>	<b><u>933 488.65</u></b>	<b><u>2 365 355.86</u></b>	<b><u>1 977 899.93</u></b>	<b><u>1 812 034.44</u></b>	<b><u>-</u></b>	<b><u>7 088 778.88</u></b>
Less charged out						0.00
<b><u>Net Expenditure</u></b>	<b><u>933 488.65</u></b>	<b><u>2 365 355.86</u></b>	<b><u>1 977 899.93</u></b>	<b><u>1 812 034.44</u></b>	<b><u>-</u></b>	<b><u>7 088 778.88</u></b>
<b><u>Net I &amp; E</u></b>	<b><u>933 488.65</u></b>	<b><u>2 365 355.86</u></b>	<b><u>(9 744 995.42)</u></b>	<b><u>1 812 034.44</u></b>	<b><u>-</u></b>	<b><u>(1 576 106.54)</u></b>